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OFFICE OF THE SECRETARY

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Magalie Roman Salas, Esq.
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554


Re: CC Docket No. 98-170

Dear Ms. Salas:

Transmitted herewith, on behalf of TDS Telecommunications Corporation, are an original and ten copies of its comments in the matter of Truth-in-Billing and Billing Format, CC Docket No. 98-170.

In the event of any questions concerning this matter, please communicate with this office.

Very Truly Yours,


Margot Smiley Humphrey

Enclosure

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Truth-in-Billing)	CC Docket No. 98-170
and)	
Billing Format)	

TDS TELECOM'S COMMENTS REGARDING OMB CONTROL NO. 3060-0854

TDS Telecommunications Corporation (TDS Telecom), by its attorneys, files these comments to augment the record of serious concerns before the Commission and the Office of Management and Budget (OMB) about the excessive industry burdens and adverse public policy effects of the Commission's requirement that wireline telephone companies implement its "truth-in-billing" requirements¹ by September 6, 1999. These comments respond to the Commission's Notice of Public Information Collection(s) submitted to OMB for Review and Approval, published in the Federal Register on July 30, 1999,² with further information about

¹ In the Matter of Truth-in-Billing and Billing Format, First Report and Order and Further Notice of Proposed Rulemaking, CC Docket No. 98-170 (rel. May 11, 1999) (TIB Order).

² Notice, 64 Fed. Reg. 41, 428 (July 30, 1999) (Notice).

why the Commission's third party disclosure requirement conflicts with the terms and intent of the Paperwork Reduction Act of 1995.³

Introduction

TDS Telecom owns 106 local exchange carriers (LECs) in 28 states. All of the TDS Telecom LECs are "rural telephone companies," under the statutory definition in the Communications Act, as amended.⁴ The TDS Telecom LECs have long demonstrated their commitment to providing universal service to customers in high cost rural service areas and are strongly opposed to misleading billing practices. TDS Telecom is also a member of the United States Telephone Association (USTA), which has requested the Commission, on behalf of its members, to reconsider, waive and stay portions of the Commission's TIB requirements as overwhelming burdens on carriers that will also jeopardize the LEC industry's ability to complete essential system-wide Year 2000 (Y2K) computer modifications.

USTA responded to the Notice on August 24, 1999, describing in detail the development and current status of the implementation crisis created by the Commission's TIB rules and schedule. USTA's comments show that the Commission's resubmission of its information collection, after the OMB declined its June 1999 approval request on July 2, 1999, requesting approval to impose the rules on September 6, 1999, has seriously underestimated the TIB rules'

³ Public Law 104-13 (PRA).

⁴ 47 U.S.C. sec. 153(37).

burden and ill effects on Y2K preparations. USTA's comments explain that the Commission has not completed the further rulemaking that will demand additional carrier modifications to their systems or even acted on the many requests for reconsideration, waiver and stay pending before it. USTA shows that the extensive system changes necessary to effectuate the Commission's requirements that LECs' bills identify (a) any carrier for which the previous bill reflected no charges as a "new provider"⁵ and (b) whether non-payment of a charge can result in denial of local exchange service⁶ will divert personnel and resources from the Y2K crisis. The USTA comments explain the unavoidable conflict between the moratorium on major billing system and software changes necessary for many carriers' Y2K compliance plans and the TIB implementation schedule the Commission has refused to rethink.

TDS Telecom supports USTA's filing and relies on the industry-wide information USTA has furnished and the specific Y2K costs and personnel commitments of large carriers. Indeed, TDS Telecom would have continued to rely on industry associations as the most efficient means for the industry to make the case for relief from these third party disclosure requirements. USTA has sought relief that all LECs need and that is especially important for small and mid-sized rural universal service providers that are already struggling (a) to prepare for Y2K, (b) to comply with the many burdens on their billing and computer systems arising from other regulatory requirements and (c) to find enough available resources to implement system changes that

⁵ 47 C.F.R. 64.2001(a)(2)(ii).

⁶ 47 C.F.R. 64.2001(c).

improve the quality of service provided to their customers. USTA's presentation of the industry's problems seemed sufficient to warrant relief.

However, the Commission's resubmission requires an individual TDS Telecom response because it (a) particularly invites more specific burden estimates (response 8), (b) resists accommodating Y2K pressures because "Y2K readiness was not a major issue in comments filed with the Commission" and "only two carriers raised this issue" (response 4) and (c) repeatedly states (introductory paragraph and responses 1, 4, 5 and 9) that carriers should avoid excessive burdens impeding Y2K progress by seeking stays or waivers. Accordingly, TDS Telecom adds its voice and information to the compelling record supporting relief from the Commission's September 6, 1999 implementation date of its TIB information collection/third party disclosure requirements.

The Burdens on TDS Telecom Warrant Prompt Relief from TIB Implementation

TDS Telecom estimates that it will take approximately 3470 person hours to comply with the Commission's TIB requirements. The majority of this time is divided between the modifications to the billing systems necessitated by the "new provider" and "deniable/nondeniable charge" identification rules. Using TDS Telecom's estimated loaded labor costs of \$70-\$100 per hour, which is a reasonable estimate for changes that require computer programmers, the implementation costs would be \$242,900-\$347,000. Plainly, the burden for implementing these requirements is far heavier than the 1-80 hours per response that the Commission estimates.

The "new provider" identification is particularly onerous, since it has been placed on the billing carrier, even when it is another carrier that has attracted the billed party as a new customer and has the records that identify that the next bill the customer receives will reflect charges from that carrier for the first time. Thus, the Commission's action does not meet the requirement under the PRA that it be able to certify that the information collection submitted for review "is to be implemented in ways consistent and compatible, to the maximum extent practicable, with the existing reporting and recordkeeping practices of those who are to respond."⁷

TDS Telecom Cannot Implement Both Its Y2K Preparations and TIB Rules in Time

The TIB requirements will also interfere with TDS Telecom's Y2K implementation. While the TDS Telecom LECs' switches are ready and the OSS system impacts, including billing, have been identified, Y2K compliant versions of these systems are currently in production. TDS Telecom needs to do system testing by the end of the third quarter and end-to-end testing in the fourth quarter to complete its Y2K preparedness program. Obviously, the approach of January 1, 2000 cannot be delayed. The crisis posed by the TIB rules is that the necessary changes can only be started now if Information Systems employees forsake their Y2K remediation activities and instead work on TIB implementation. Moreover, even if all of TDS Telecom's resources were immediately shifted from Y2K to TIB implementation, it would not be possible to meet the September 6, 1999 deadline.

⁷ 5 U.S.C. section Sec. 3506(c)(3)(E)

The Commission has brushed off the OMB's question about the conflict of TIB implementation with "moratoriums" by calling these safeguards "internal company policies whereby, as of a specified date in the latter half of 1999, carriers will not allow any changes to their computerized billing systems" (response 7). But these procedures are not just pointless carrier exercises. TDS Telecom needs to impose its planned system change freeze in November and December to protect its customers from the kind of unforeseen problems that frequently result when upgrades are made. Due to the gravity of the situation, and based on information provided by the Commission, the White House Y2K Hotline continued on August 23, 1999 to state concerns about the status of preparations of small and mis-size LECs.⁸ However, the Commission appears to contradict this information by dismissing the potential effect of the TIB requirements as having Y2K implications for "only a limited number of carriers" (response 4). As evidenced by USTA's filing on behalf of its members and the information provided above, it is clear that the TIB requirements will have a serious impact on the Y2K preparations of more than 1000 small and mid-size LECs, thus heightening any previous Y2K preparedness concerns.

Adding the unknowns caused by TIB changes to the truly time-sensitive and essential Y2K changes is not prudent. If nothing else, the Commission's implementation of the TIB changes should be held in abeyance until at least April 2000, as suggested by USTA in its previous filings.

⁸ USTA August 24, 1999 Comments at 11 and n. 21, identifying the White House hotline number as 1-888-872-4925, option 3.

Requiring More Carrier Filings Is Not a Sensible Way to Prevent Undue Carrier Burdens and Interference with Y2K Preparations

Finally, TDS Telecom is dismayed by the Commission's assurances to the OMB that

[t]he options of stay and waiver provide ample opportunities for parties to outline the specific steps necessary to ensure compliance with the [new providers] highlighting requirement and seek delayed effectuation to ensure that their billing systems can be successfully modified without compromising Y2K readiness or other reasonable business or consumer endeavors ... (response 9)

and "in the event that a stay is not granted, parties may seek waiver of this requirement to ensure that Y2K remediation is not adversely affected" (response 4). TDS Telecom believes that the Commission has before it a record supporting reconsideration, stay, waiver and OMB disapproval that compellingly demonstrates that the Commission has underestimated the burden and ignored the impacts of its TIB rules. The Commission has not acted on the stay and waiver requests already before it, with its September 6, 1999 target implementation date only [**one week**] away.

Given all this, it is disturbing that the Commission is apparently suggesting – in seeking to justify OMB approval for an information collection under a statute enacted to minimize the need for reports, filings and regulatory burdens⁹ – that undue burdens on carriers or adverse impacts on Y2K preparedness can best be solved by requiring additional individual carrier waiver filings.

⁹ Sec. 3501 of the PRA begins the list of the purposes for the law with the objective to minimize the paperwork burden for individuals, small businesses, educational and nonprofit institutions, Federal contractors, State, local and tribal governments, and other persons resulting from the collection of information by or for the Federal Government.

Conclusion

In light of the facts and reasons before the Commission in numerous reconsideration and scheduling relief requests and before the OMB and the Commission pursuant to the PRA, TDS Telecom urges the Commission to modify its implementation. If it does not, TDS Telecom urges OMB to deny approval to the portions of this information collection discussed in these comments.

Respectfully submitted,

TDS Telecommunications Corporation

By: /s/ Margot Smiley Humphrey
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August 30, 1999

CERTIFICATE OF SERVICE

I, Victoria C. Kim, of Koteen & Naftalin, hereby certify that true copies of the foregoing Comments of TDS Telecom in the matter of Truth-in-Billing and Billing Format, CC Docket No. 98-170, have been served on the parties listed below, via first class mail, postage prepaid on the 30th day of August 1999.

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